



United States of America
FEDERAL TRADE COMMISSION
Washington, D.C. 20580

Division of Advertising Practices

Mary K. Engle
Associate Director

May 12, 2015

Brent Sanders, Esq.
Associate General Counsel
Microsoft Corp.
One Microsoft Way
Richmond, WA 98052-5399

Re: Boston Team Lumia Event, File No. 142-3216

Dear Mr. Sanders:

As you know, the staff of the Federal Trade Commission's Division of Advertising Practices has conducted an investigation into whether Microsoft violated Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, in connection with the online promotion of Nokia's Lumia phones via photographs taken during a tour of Boston on or around May 5 - 7, 2014 (the "Boston Team Lumia Event").

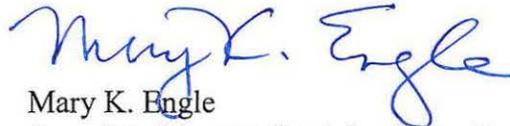
The Boston Team Lumia event was a Microsoft-sponsored social media campaign designed to highlight the photographic capabilities of Nokia's Lumia phone. Microsoft invited a group of "social influencers" to the event and compensated them with use of a Nokia Lumia phone, free travel, meals, tickets to various events around Boston, and various other items. Event participants endorsed Microsoft products by tweeting photos taken with their Lumia phones with the hashtag "#TeamLumia." The majority of these participants did not disclose in these posts, through the use of "#ad" or "#sponsored," for example, that Microsoft had compensated them to participate in the event. Section 5 of the FTC Act requires the disclosure of a material connection between a marketer and an endorser when their relationship is not otherwise apparent from the context of the communication that contains the endorsement.

Upon review of this matter, we have concluded that we will not recommend enforcement action at this time. We considered a number of factors in reaching this decision. First, Microsoft has informed us that the Boston Team Lumia Event took place mere days after Microsoft's acquisition of Nokia's mobile unit, and the campaign had not been evaluated against Microsoft's endorsement guidelines and compliance program. Second, Microsoft has assured us that, moving forward, it will ensure that future promotional events involving the acquired Nokia unit will comply with Microsoft's corporate standards and policies. Last, the Boston Team Lumia Event was relatively limited in scope.

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Our decision not to pursue enforcement action is not to be construed as a determination that a violation may not have occurred, just as the pendency of an investigation should not be construed as a determination that a violation has occurred. The Commission reserves the right to take further action as the public interest may warrant.

Very truly yours,



Mary K. Engle
Associate Director for Advertising Practices